

**MINUTES OF THE  
TRANSPORTATION, ENVIRONMENTAL QUALITY & NATIONAL GUARD  
APPROPRIATIONS SUBCOMMITTEE  
Room W025, West Office Building, State Capitol Complex**

**Monday, January 12, 2009**

**MEMBERS PRESENT:** Sen. Kevin T. Van Tassell, Co-Chair  
Rep. Wayne Harper, Co-Chair  
Sen. Scott K. Jenkins  
Sen. Peter C. Knudson  
Sen. Mark B. Madsen  
Sen. Luz Robles  
Rep. Rebecca P. Edwards  
Rep. Neil Hansen  
Rep. Neal B. Hendrickson  
Rep. Don L. Ipson  
Rep. Patrick Painter  
Rep. F. Jay Seegmiller  
Rep. Kenneth Sumsion

**MEMBERS ABSENT:** Rep. Carl Wimmer

**STAFF PRESENT:** Mark C. Bleazard, Fiscal Analyst  
Rosemary Young, Committee Secretary

**Note:** A list of visitors and copy of handouts are filed with committee minutes.

Rep. Harper called the meeting to order at 9:18 A.M.

**MOTION:** Rep. Hendrickson moved to approve the minutes of the September 25, 2008 meeting. The motion passed unanimously.

Rep. Harper welcomed the committee members and asked for introductions. He pointed out that the legislature is going back to the revenue structure of FY 06/07 and that they are being asked to effect a 15% reduction in budgets.

Mark Bleazard, Fiscal Analyst, referred the committee members to a booklet, "A Legislative Guide to Bills, Budgets & Fiscal Notes" and reviewed a glossary of terms used in the budgetary process. From a series of slides he discussed other budgetary matters including: The fiscal year is named for the year it ends, eg. FY 10 ends June 30, 2010. Revenue estimates are updated at least twice yearly and serve as a target for appropriations. The December 2008 estimate resulted in a \$350 million shortfall in FY 2009. There are pressures driving new spending such as increased public school enrollment and increased medicaid utilization. With the aid of the fiscal

analyst and reports from the agencies, the subcommittees make recommendations to the Executive Appropriations Committee. The Legislature is functioning with the following recommendations and constraints:

1. Over all, balance to the 7.5% and 15% targets set by EAC (some subcommittees may be over or under target).
2. Are intended as a straw-man - a place to start your discussion.
3. Assume current tax law (do not divert tax earmarks and/or increase or decrease taxes).
4. Do not include across-the-board actions like salary decreases or benefits changes.
5. Do not tap rainy day funds or bond proceeds.

The specific reduction target numbers for this subcommittee are: FY09 7.5% - \$8,360,600 and FY10 15% - \$10,848,500 and 20 FTEs of which most are vacant positions that will not be filled.

### **Department of Environmental Quality**

The cuts the Analyst is recommending with the input of the department for FY 09 are: \$173,700 from the Director's Office; \$195,200 from Air Quality; \$111,500 from Emergency Response and Remediation; \$111,500 from Radiation Control; \$96,000 from Water Quality; \$286,800 from Drinking Water; and \$111,500 from Solid and Hazardous Waste; for a total of \$1,086,200.

The request was made from the committee to the Analyst to provide the amount of the original budget and the percentage of that original which is represented by the proposed reduction.

The recommended cuts for FY 10 are: \$409,100 from the Director's Office; \$399,000 from Air Quality; \$246,300 from Emergency Response and Remediation; \$223,000 from Radiation control; \$273,000 from Water Quality; \$398,300 from Drinking Water; and \$111,500 from Solid and Hazardous Waste; coming to a total of \$2,060,200.

Bill Sinclair, Acting Executive Director of the Department, introduced the members of his staff who were present, distributed a packet of materials, and explained the impact of the budget adjustments as: some reduction in timeliness of response to customers; prioritization of customer demands (e.g., air monitoring requests); reduction in inspection frequency for non-primacy programs; less business assistance, focus on the primacy requirements (inspection, permitting). He provided a summary of the workload by division showing a steady increase over time. Cheryl Heying, Director of the Division of Air Quality, informed the committee that in spite of the budget cuts their priority will be to meet the Federal standards in PM2.5 in 2011.

### **National Guard**

The Analyst enumerated the recommended budget reductions to the National Guard as \$463,400 in FY 09 and \$815,300 in FY 10.

General Brian Tarbet, Adjutant General of the National Guard, assisted by Todd Valline and Dennis Yohherst, reminded the committee that they are 97% federally funded. They have approximately 6700 guardsmen of whom 1800 are full-time employees, and of the 1800 a very small percentage are fully state funded. Cutting 8 would be 25% of the state funded employees. The federal contribution is in excess of \$200,000,000, and for every state dollar cut, the Guard loses three federal dollars. Budget cutting will mean allowing aging armories to descend into further disrepair. Losing tuition assistance would mean losing strength in the army and air guard units which are presently at or above 100 %. Losing strength means losing the ability to compete with the 51 other entities in the nation. Currently there are 660 guardsmen receiving tuition assistance in varying amounts.

### **Department of Veterans' Affairs**

The Analyst reported that the recommendation for budget reductions to Veterans' Affairs in FY 09 are as follows: \$52,800 from Veterans' Outreach and \$23,200 from Veterans' Cemetery, totaling \$76,000. For FY 10 the amounts are: \$104,800 from Veterans' Outreach and \$23,200 from Veterans' Cemetery, totaling \$128,000. The Department's total budget from the General Fund is \$853,000. They also receive federal funds for burials and per diems for nursing home patients.

Terry Schow, Director of Veterans' Affairs, assisted by Dennis McFall, Deputy Director, explained the importance of the Outreach program by referring to a handout comparing compensation and pension dollar amounts in relation to the veteran population of various states. He reported that the Ogden nursing home is expected to be completed in November 2009. There will be a partial reimbursement from the federal government for the building of the nursing home when it is completed.

### **Department of Transportation**

The Analyst briefly discussed the Governor's budget recommendations which are taking \$197,000,000 from sales tax earmarks and \$55,000,000 from the Transportation Investment Fund and \$32,300,000 from State Construction. The Analyst's recommendation for FY 09 is \$2,610,000 from State Construction and \$4,125,000 from TIF, totaling \$6,735,000. These are reductions from the General Fund. Other sources of funds to DOT are gas tax and federal gas tax which are also decreasing. The recommendation for FY 10 is \$4,845,000 from State Construction and \$3,000,000 from TIF, totaling \$7,845,000.

John Njord, Director of the Department of Transportation, and Carlos Braceras, Deputy Director, explained that the Department monitors revenues throughout the year and makes adjustments all along. The Department has already placed \$3.9 billion worth of projects on hold. The Director told the committee that the Governor's projected reductions to the budget for DOT are much greater than those shown to the committee today, but the Governor is proposing raising

registration fees to enhance revenue by about \$50,000,000 per year. The cuts proposed today by the analyst would allow the Department to move forward with some of the projects on hold.

Rep. Harper reminded the committee of the meeting on Jan. 21 and requested that the Analyst and the agencies investigate reducing the work week to 35 or 37 hours rather than 40 to see if that would be helpful without having to eliminate jobs and programs. He asked the agencies to evaluate whether the cuts are where they ought to be. They are to investigate a backfill in certain areas from rainy day money or possible bonding especially for UDOT. He asked the DOT to explore restructuring the different funds into one pot and having the Transportation Commission decide how those should be managed. A request was made for more information about the usage of the state plane.

**MOTION:** Sen. Knudson moved to adjourn. The motion passed unanimously.

Rep. Harper adjourned the meeting at 12:04 P.M.

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Rep. Wayne Harper, Co-Chair

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Sen. Kevin T. Van Tassell, Co-Chair